



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MAR 12 2009

Ezra W. Reese
Perkins Coie LLP
607 14th St. NW, Suite 800
Washington, DC 20005

RE: MUR 6026
Jan Churchill, et al.

Dear Mr. Reese:

On June 25, 2008, the Federal Election Commission notified your client, Jan Churchill, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On March 4, 2009, the Commission found, on the basis of the information in the complaint and information provided by your client, that there is no reason to believe Jan Churchill violated 2 U.S.C. § 432(b)(3). Accordingly, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). The Factual and Legal Analysis, which explains the Commission's no reason to believe finding, is enclosed for your information.

If you have any questions, please contact Joshua Smith, the attorney assigned to this matter at (202) 694-1624.

Sincerely,

A handwritten signature in black ink, appearing to read "Ana Peña-Wallace", is written over the typed name.

Ana Peña-Wallace
Acting Assistant General Counsel

Enclosure
Factual and Legal Analysis

20090312

**FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS**

Respondent: Jan Churchill

MUR: 6026

I. INTRODUCTION

Complainant Michael Zahara, a former Nevada State Democratic Party ("NSDP") board member, alleges that Jan Churchill, Treasurer of the NSDP and staffer for U.S. Representative Shelley Berkley, violated the Federal Election Campaign Act, as amended ("the Act"), when she paid herself a salary and reimbursed herself for travel expenses with state party funds without approval from the NSDP or the Clark County Democratic Central Committee ("CCDC"), a state committee. Complainant claims that the salary payments and travel reimbursements are in contravention of the bylaws and charter of the NSDP and constitute embezzlement.

As discussed below, the Commission finds no reason to believe that Jan Churchill violated 2 U.S.C. § 432(b)(3) by commingling NSDP and personal funds.

I. FACTUAL AND LEGAL ANALYSIS

Complainant alleges that Ms. Churchill distributed money to herself from NSDP and CCDC accounts without authorization. The Act prohibits the commingling of committee funds with "the personal funds of any individual," including officers of a committee. 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15.

Here, Ms. Churchill received periodic payments from NSDP. According to FEC filings, the NSDP made 43 bi-monthly disbursements to Ms. Churchill from December 30, 2005 until July 31, 2007. The disbursements totaled \$25,168.79, and each individual disbursement ranged from \$571.58 to \$572.25. Ms. Churchill also received two

1 payments on October 5, 2007 from the NSDP, totaling \$338.25, for "Travel Expenses."
2 In separate responses, Ms. Churchill and the NSDP state that these disbursements were
3 for legitimate salary payments and travel reimbursements.

4 Complainant alleges that the payments were unauthorized based in large part on
5 the NSDP Charter and Bylaws and the Nevada Revised Statutes, which he contends
6 prohibit such payments. However, it is unclear that these documents in fact prohibit
7 salary payments and travel reimbursements. The NSDP Charter states that it is a conflict
8 of interest for a paid employee, contractor, or consultant of the NSDP to serve as
9 treasurer in the party committee.¹ The Bylaws of the NSDP do not mention payments to
10 the treasurer.² The Nevada Revised Statutes require only that the state central party
11 committees elect executive officers from the committee's membership, and that these
12 officers serve "as provided in the bylaws and regulations of the central committee."³

13 As noted above, both the NSDP and Ms. Churchill assert that the payments were
14 for legitimate committee expenses, and thus there is no reason to believe that Jan
15 Churchill violated 2 U.S.C. § 432(b)(3).

16 **III. CONCLUSION**

17 Based on the foregoing, the Commission finds no reason to believe that Jan
18 Churchill violated 2 U.S.C. § 432(b)(3) by commingling Nevada State Democratic Party
19 and personal funds.

¹ *Charter of the Democratic Party of Nevada*, Article III § 12, retrieved from
http://www.nvdems.com/images/nsdp_charter-february2008.pdf.

² *Democratic Party of Nevada Bylaws*, retrieved from
http://www.nvdems.com/images/nsdp_bylaws-february2008.pdf.

³ See Nev. Rev. Stat. § 293.160 (2008).